

Meeting Minutes of data clarification meeting between Moore Stephens (Independent Administrator - IA) and Myanmar Oil and Gas Enterprise (MOGE) conducted on 28th September, 2017 at Meeting Hall of MOGE in Naypyitaw from 10:30 A.M to 12:00 A.M

1. Objectives

- To verify information and clarify data with MOGE for 2014-2015 and 2015-2016 initial reconciliation report

2. Participants

A total of 8 participants including 3 representatives from MOGE, 2 representatives from Moore Stephens and 3 staff from NCS joined the Data Clarification meeting between IA and MOGE. The detailed participant list is attached as annex one.

3. Discussions

IA from Moore Stephe said the introduction on why they came to meet with MOGE and then, he asked the following questions concerning with MOGE:

- The statement of revenues communicated by MOGE for the fiscal years 2014-2015 and 2015-2016 include non-desegregated payments described as “other income”. These payments represent 0.08% and 0.23% of the total payments reported by MOGE for the fiscal years 2014-2015 and 2015-2016 respectively and he asked that they cannot identify the nature of payment and which kind of payment for other income?
- The statement of signature bonuses collected by MOGE include revenues received from 8 companies while more than 20 companies have been awarded O & G blocks during 2013 and 2014. All the PSC signed include the payment of signature bonuses to be paid within thirty days of signing the PSC. Concerning with signature bonus, there are over 20 companies who get permission and there was only 8 companies for signature bonus. Why?
- MOGE data include some other payments with unclear description (e.g Shwe Porject, Shareholder Loan, etc.). We were not able to identify the related flow of payment.
- MOGE data include amounts of MMK 16.39 bn and MMK 101.8 bn for the fiscal years 2014-2015 and 2015-2016 respectively without providing the desegregation by companies. Therefore we were not able to identify the companies which made these payments to MOGE.

Representatives from MOGE answered that for question no. one, we have to negotiate with financial department and this is just a meeting and we know just general information and please give this file and we will contact with you. We will try to contact with finance team and will reply back to you as soon as we

can. Currently, people who can answer to you concerning with this financial sector are hot here and you can ask other question.

For question no. 2, they discussed the following:

IA : There is no signature bonus in 2014-15 fiscal year. In most of the PSC contract, the contractor has to pay signature bonus after Initial Exploration period. Why?

MOGE : All companies do not need to provide signature bonus because according to the contract, signature bonus has to be paid within 20 or 30 days after Initial Exploration Period that was done after Study Period. Some companies do not enter Initial Exploration Period (IEP) without any potential of exploration after study period which is given 2 years in deep water blocks.

IA : Can we have all the statement for PSC contracts including signature bonus, date and the amount included in the contract during 2014-15 and 2015-16.?

MOGE : The Preparation period is six months for EIA (MIC submit to MOEC) and then study period start. According to the petroleum nature and environmental conservation law, all companies have to submit IEE and EIA for drilling operation to Environmental Conservation Department and starting period in the contract and Effective date is not the same. We can collect information and provide all starting date for all these 20 companies.

IA : How long it takes for study period? Which is the maximum time period allowed for study period?

MOGE : Study period is one year in shallow water and two years in deep water and they can ask for two times extension for one year. Study period is maximum 4 years and 3 years for deep water block and shallow water.

IA : Can we get any standard format for contract?

MOGE : You can upload on website.

IA : Is there any other payments for those period?

MOGE : After 20 days of IEP, they have to give normally for data field

IA : We would like to get the detailed list of the data field?

MOGE : We need to break down these data and then, we will give you.

IA : Is there any bidding beyond 2014?

MOGE : For deep offshore blocks, there is no international bidding beyond 2015. International bidding round is in 2013 and after announcing the qualified bidders, awarded 4 blocks in 2014 and others are in 2015 and there is no more bidding in 2016.

IA : For selection bidding, is there any international criteria for international bidding? Do you have checklist?

MOGE : MOGE chose the best proposal and as far as I know, there is no information with this. Minister chose it with technical and financial competence.

MOGE : We check with respective embassy, compare with their technical, experience, financial statement and production pattern. The Energy planning department did the initial assessment (selection, pre-selection) for all proposals and then, submits to Selection Board including Minister, Deputy- Minister and other higher officials) and now this department is shut down. So, we have to find this information and we will try to provide it.

IA said that according to EITI standards, we need criteria for why you chose this proposal.

IA : Do MOGE needs to pay custom duty for importing to Custom Department?

MOGE : MOGE pay Custom duty to custom department on behalf of companies for all importing. MOGE is responsible or custom duty according to PSC for only petroleum operation. After the operation, all equipment machineries are occupied by MOGE and so, MOGE is responsible for this. For other operations, importing own vehicles for personal uses and sub-contractor, they have to pay by themselves.

IA : How many custom duties paid by other?

MOGE : We cannot separate these information because MOGE has the obligation to pay custom duties to CD for petroleum operation and Others paid by companies custom duties to CD is also with the name of MOGE because of the contract. Within the period of the operation/project, this operation is under the management of MOGE, so they use MOGE name because of various ranges and taxes.

And, We have the law concerning with SOEs, any projects under the management of MOGE, they can use MOGE for exploration, operation according to the law of SOE.

IA : When we can get this information, data?

MOGE : Hopefully, tomorrow for data field and for financial data, we need to contact with finance team who are not here as said earlier and so, we will try to provide before 2nd October, 2017.

Then, the meeting is finished with the decisions of MOGE will give the following information.

- Starting periods for all companies
- Data Field / standard format /modal contract
- Criteria and procedures for choosing bidding

4. Decision Points

- MOGE will send data field, standard format or modal contract and starting periods for all companies on 29th September, 2017
- Criteria and procedures for choosing bidding will be sent on 29th September, 2017
- Concerning with financial sector such as other income and disaggregated payments, MOGE will try to give before MSG meeting on 2nd October, 2017

5. Annex One

No.	Name	Position	Organization	Email	Phone
1	Daw Win Win Kyu	Deputy Director	OGPD, MOGE	winwinkyu.15@gmail.com	09 420706464
2	U Kyaw Swar Soe	Manager (Law)	Planning , MOGE	kyawswarsoe007@gmail.com	09 7803564175
3	U Nay Aung	Manager	Energy Policy and Planning, MOGE	nay.myanmmoe@gmail.com	09 967931313
4	Karim Lourimi	Senior Manager	Moore Stephens	Karim.Lourimi@moorestephens.com	
5	Elyes Kooli	Senior Manager	Moore Stephens	Elyes.Kooli@moorestephens.com	+352 691136780
6	U Aung Myo	Porgramme Manager	NCS		09 5066686
7	Daw Taryar Maung	Technical Advisor	NCS	ncs.technicaladvisor.meiti@gmai.com	09 779230475
8	Daw Aye Chan Wai	Communication Assistant	NCS	ayechanwai.meiti@gmail.com	09 977255764